

# **PROGRESS IN EGG&POULTRY LEGISLATION**

# History

- ⌘ First wave of Eggs&Poultry common regime legislation began in 1967 via EC Regulations 122/67 and 123/67
- ⌘ These were repealed by the Common Organisation R. 2771/75 (Eggs) and R. 2777/75 (Poultrymeat)
- ⌘ Prime objective : single EU market for eggs & poultrymeat



# History

- ⌘ Second Wave of Eggs & Poultrymeat legislation was introduced by repealing Regulations 122/67 and 123/67
- ⌘ via the Common Organisation R. 2771/75 (Eggs) and R. 2777/75 (Poultrymeat)
- ⌘ Prime objective : single EU market for eggs & poultrymeat



# Prime objective

- ⌘ Single EU market
- ⌘ Introduction of a single trading system at external borders
- ⌘ Levies and export refunds to adjust supplies to market requirements
- ⌘ No direct intervention or market support arrangements
- ⌘ Market prices within the EU directly reflect the supply/demand position of products.



# The regime for Eggs covers

- ⌘ Poultry eggs in shell, fresh or preserved
- ⌘ Eggs not in shell and egg yolks suitable for human consumption, fresh, dried or otherwise preserved, sweetened or not



# The regime for poultry covers

- ⌘ Live chicken, fowls, ducks, turkeys and guinea fowls
- ⌘ Poultrymeat of these five species and edible offal, fresh, frozen or quick frozen
- ⌘ Poultry liver, fresh, frozen or quick frozen
- ⌘ Poultry fat, fresh, frozen or quick frozen
- ⌘ Poultry fat, rendered or solvent extracted
- ⌘ Other prepared or preserved poultrymeat or poultry offal



# Trade with third countries under GATT/WTO

- ⌘ In July 1995 the GATT brought the sluice-gate process and variable levies to an end.
  
- ⌘ It introduced
  - an improved market access from third countries,
  - a 36% reduction over six years in export refunds
  - and 21% reduction in export volume compared to the 1986/90 base period
  
- ⌘ Export refunds and Import duties were consolidated in 2001/02 after a 6 year period of gradual reduction.



# Trade with third countries under GATT/WTO: Minimum Access

- ⌘ Minimum access commitments for eggs started at 98.000t in 1995/96, rising to 158.000t as from 2001/02. During the same period the tariff for shell eggs has been reduced by 36%.
- ⌘ Minimum access commitments for poultrymeat started at 18.000t (at 0% duty) and 2.500t (at reduced rate) in 1995/96, the latter was raised to 11.900t as from 2001/02.





# SAFEGUARD CLAUSE

- ⌘ Additional duties may be applied in case of possible disruption of the market by adding an extra-duty to the regular tariff when import prices are more than 10% below the 1986-88 reference price (= Trigger price)
- ⌘ Additional duties are calculated on the basis of the difference between the trigger price and the actual import price
- ⌘ Since the beginning of the GATT agreement, they have been applied for a limited number of products (mainly poultrymeat) and countries of origin.



# SYSTEM OF ADDITIONAL DUTIES

*Commission Regulation*

*No. 1484/95*



# AIM (1)

- ⌘ The Uruguay Round Agreement contains special safeguard provisions that can be invoked by the Members if certain conditions regarding import volume or import prices are fulfilled.



## AIM (2)

- ⌘ In the case of the egg and poultrymeat sectors and for albumin the EU has chosen to operate a monitoring system based on the import prices in order to prevent or counteract adverse effects on the Community market resulting from imports at low prices.



# OVERVIEW OF PROCEDURE

- ⌘ Communication of various prices by the Member States to the Commission.
- ⌘ Fixing of representative prices by the Commission.
- ⌘ Publication in the Official Journal and application by the customs.



# COMMUNICATIONS ON PRICES (1)

- ⌘ Detailed data on quantity and value of egg and poultry imports are already communicated in the framework of the general trade statistics (import and export for all products) each Member State has to send on a monthly basis to the Statistical Office in Luxembourg.



## COMMUNICATIONS ON PRICES (2)

- ⌘ The delay by which these data are made available and the fact that they do not always reflect the actual cif-import prices, make it necessary for the Commission to consult other sources in order to establish the representative prices (i.e. the actual import price for a given product of average quality and a given country of origin).



# COMMUNICATIONS ON PRICES (3)

⌘ Member States are therefore invited to produce up-to-date representative import prices or, failing that, prices at various stages of marketing, for the products that might enter the Community at low prices.

⏏ Art. 2 (2)





# PROPOSAL BY THE COMMISSION (1)

- ⌘ Once the Commission has established the representative prices based on all the information available, these prices are compared to the trigger prices.
- ⌘ Trigger prices have been established for all egg and poultry products, and are in fact the average cif-import prices for these products for the years 1986-1988, as laid down by the Uruguay Round Agreement.
  - ⏏ Annex II



## PROPOSAL BY THE COMMISSION (2)

- ⌘ If the representative price falls to a certain degree below the corresponding trigger price, the system of additional duties can be invoked.
- ⌘ At the occasion of the monthly Management Committee for Eggs and Poultrymeat the Commission may consequently submit a proposal for opinion in order to fix representative prices or to modify existing ones.



# PUBLICATION

- ⌘ After adoption by the Commission a new Annex I to Regulation No 1484/95 is published in the Official Journal.
- ⌘ The annex indicates for a given product and a given country of origin the representative price and the corresponding security (see table).



# Representative prices in the poultrymeat sector (1484/95)

ENTER INTO FORCE: 22.04.1999

Product	CN code	Trigger price	Origin	Representative price	Security
Chicken, deboned, frozen	0207 1410	333.5	Brésil	204.4	29.0
		333.5	Thaïlande	206.7	28.0
		333.5	Chili	292.0	2.0
		333.5	Argentine	292.0	2.0
Prepared chicken-meat	1602 3211	318.6	Brésil	214.0	22.0
		318.6	Thaïlande	210.6	23.0



# APPLICATION (1)

⌘ When an operator wishes to import a product figuring in the above mentioned annex, there are two possibilities:

☒ cif-import price = or < representative price:  
additional duty to be calculated and imposed by customs according to a fixed mathematical formula

in this case no security is to be lodged

Art. 3 (1) and Art. 4



# APPLICATION (2)

- ⌘ cif-import price > representative price:  
the operator has to prove this, which results in lower or no additional duties to be paid, if he succeeds; in this case a security (equal to the additional amount corresponding to the representative price) is to be lodged  
Art. 3 (2) and (3)



# Export refunds 2771/75 Eggs

- ⌘ Refunds cover the difference between world price and EU price
- ⌘ EU production costs tend to be higher than production costs in third countries
- ⌘ Refunds rates and destinations shall be fixed each quarter or more often if necessary



# Export refunds

⌘ To fix the export refund level it is taken into account world price-EU price-feed price-currencies-market conditions-overall expenditure limit under the GATT/WTO limit





# Export regime

⌘ A trader applying for export refunds for exporting frozen whole chicken carcasses must prove to be in the business since at least 12 months and, for certain destinations, by exporting at least 1 000 t in each of the previous two years.



# Import regime for Eggs & Poultrymeat

⌘ Commission Regulations 1474/95 in the egg and egg albumin sector, 1431/94 and 1251/96 in the poultry meat sector, cover licensing arrangements for imports of these products from third countries within import tariff quotas.

